



An Energy Efficiency Workshop & Exposition

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Kansas City, Missouri

***Energy Project Financing***  
***GSA Guidance Development***

Karen Curran

GSA Energy Center of Expertise



## *Why It All Began.....*

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- Financing being done without coordination with Accounting/Budget
- GSA's long term liability not reported
- No official authority for Financing through Area-Wide Utility Contracts
- Recognized need for guidance
  - Needed support from very high up!

## *Assembled A Team*

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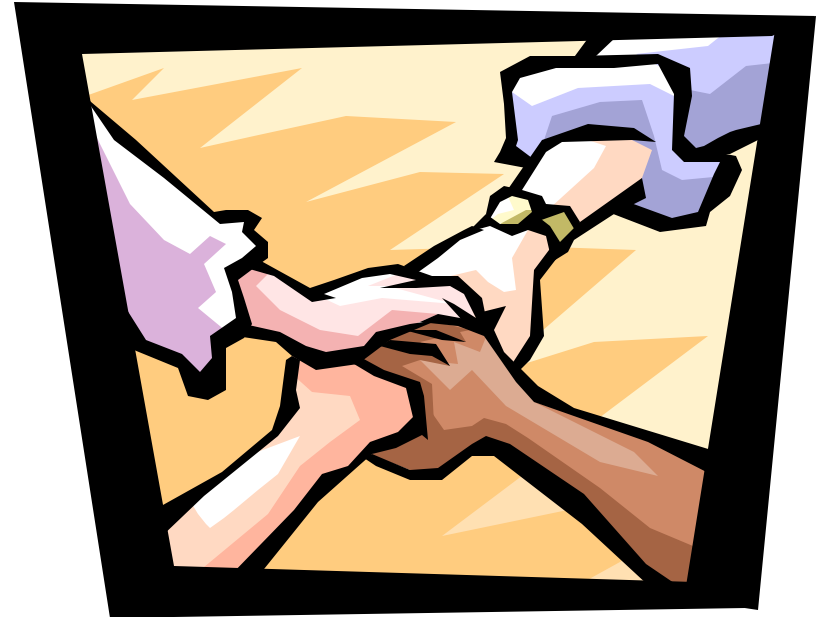
- o **Team Members**

- Accounting Office
- Budget Office
- Finance Center
- Regional Energy Coordinator
- Energy Center of Expertise Representative

- o **Initial Off-Site**

- 2 days brainstorming and DEBATING!!
- All issues put on table

- o **Single Person coordinated follow-up**



## *Initial Skepticism*

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- Is this Legal?
- Why are we doing this in the 1st place?
- It can't be adapted to our existing procedures ( ie. Accounting systems)
- How are we tracking these?
- Who's approving these?

- July 1999 - Office of Budget
  - Alternative Financing of Energy Savings Projects  
( Scoring Memo)
- August 2000
  - Financial Procedures for Energy Financed Projects
- Training / Awareness



# ***Scoring of Utility Financed Projects Memo***

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- Issued 1st (July 1999) - Office of Budget
- Guidance for Utility Area-Wide Contract Financing of Energy Projects
  - Can be done without Scoring, if the savings are guaranteed
  - Reporting and Approval Requirements
  - Exhibits as attachments that must be completed for approval of any project
- Copy on FEMP website ( Enabling Legislation)



## ***Major Obstacles in Details***

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- Existing Financial Computer Systems
- IRIS (Inventory Reporting Infor. Syst)
- Contracts System
  - Award Docs, Oblig docs, Payment process
- Award Package sent to Finance
- Reporting Requirements
- Approval Requirements



## ***Exhibits Required***

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- Exhibit 1 - ESPC/Utility Contract Financial Info. Sheet
- Exhibit 2 - Project Energy Conservation Sheet
- Exhibit 3 - Annual Summary Report
  - ECOE coordinates this data



# ***IRIS Problems***

## ***(Inventory Reporting Info System)***

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- Project Reporting/Inventory Database
  - Indicates what work should be capitalized against an asset (building)
  - Interest shouldn't be capitalized
- Didn't accept work assigned to be paid out of Operations Budget Activity 61
  - Used to pay utilities and O&M



# ***IRIS Solutions*** ***(Inventory Reporting Info System)***

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- Capitalization
  - Unique element created for interest that would trigger non-capitalization
- Acceptance of Operations Budget Activity
  - Created accounting identifier unique to financed energy project that would accept the operations BA

- How to prepare document and input into system so that total project cost is not obligated up front?
- Multi-Year contract - Payment process needed
- Not typical construction contract
- Needed single contact for questions
- Consistency needed among contracts



## ***Finance Package***

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- o Documents needed
- o Coding to be used
- o Where to Send?
- o Receiving Report Issues
- o Fixed Roll Setup
- o Savings Shortfall



## ***Financial Procedures Guidance***

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- Guidance Memo (August 22, 2000)
  - Att. A - Acctg Procedures for Fin. Projects
  - Att. B - GSA Checklist
  - Att. C - Scoring Memo (July 99)
  - Att. D - Funding Coding
  - Att. E - Sample IRIS input
  - Att. F - Appropriation Data/ Sample Amort. Sched./ Sample NEAR Fin. Extension Doc.
  - Att. G - FAR Clauses



## ***Training / Awareness***

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- Reviewing process with Energy Coordinators at meetings (2 x's a yr)
- Sending entire teams to Super ESPC training sessions
- Contracting Officer/ Budget personnel workshop ( 2 x's a year)
- In Development: FAQ's, Best Practices, Lessons Learned
- Tailored training for Regions

- Flexibility / Willingness to make it work ..... A Must!!
- Internal computer programs may have to adapt to accept these contracts
- Continuous process
- Communication / Sharing of ideas goes a long way....



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